



Irish Life Weekly Investment Bulletin

The week that was – WEEK 12 (ending 24/03/2017)

“Action speaks louder than words but not nearly as often.” – Mark Twain

Eurozone growth strengthens – During the first three months of 2017, the IHS Markit purchasing managers' index (PMI) rose at its fastest rate pace in more than five years. As the eurozone economy strengthens, expectations are rising that the European Central Bank may begin to moderate its stimulus measures.

May announces 29th March for Article 50 date – British Prime Minister Theresa May set 29th March as the day that the United Kingdom will notify the European Union of its intent to leave the European Union, beginning the two-year period set out in Article 50 of the Lisbon Treaty for exit negotiations and terms.

Global stock market down 1.0% on the week – The MSCI AC World TR Index had a -1.03% return from 17th March to 24th March as Republicans in the House of Representatives withdrew a bill to replace the Affordable Care Act (aka Obamacare) which casts some doubt on other Trump initiatives being passed.

U.K. inflation hits highest figure since September 2013 – Rising food and fuel prices pushed Britain's inflation rate to 2.3% last month, the highest rate for more than three years. The jump from 1.8% inflation in January was above the Bank of England's 2% target and well above the 2.1% expected in a Reuters poll.

Japan to continue monetary stimulus – Despite recent increases in Japanese growth and inflation, which raised questions on monetary policy, Bank of Japan governor Haruhiko Kuroda said that there is no reason to withdraw stimulus now, or to raise the bank's bond yield target, since inflation remains well below the 2% goal.

Oil price falls after further increase in U.S. supplies – As U.S. oil supplies continued to build, global Brent fell to \$50.60 from \$52.00 and West Texas Intermediate crude to \$47.80 from \$49.25. The U.S. Energy Information Administration (EIA) said U.S. inventories climbed by almost 5 million barrels to 533.1 million.

The Story of the week: A video of a giant chicken which was shared by Twitter user LifesBook_Ceo, has taken the social media platform by storm. It shows a huge chicken emerging from its coop and taking a number of steps to the ground with its oversized feet and looks somewhat reminiscent of a monster from a low budget B Movie. The mystery was soon solved, however, after the U.S. based Livestock Conservancy, whose mission is to “to protect endangered livestock and poultry breeds from extinction,” confirmed via Facebook that the chicken was the rare Brahma breed and according to them, the giant bird is often referred to as the “King of All Poultry,” and can weigh over 18 pounds. Brahmas are very large, stately, docile birds who can cover a large number of eggs due to their size.

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Index Performances and Market Data*

Equity Markets % (in Local Currency)	2012	2013	2014	2015	2016	2017 YTD (to 24/03)
ISEQ Overall Return	20.5	35.8	16.8	33.6	-2.7	2.0
FTSE 100 TR	10.0	18.7	0.7	-1.3	19.1	3.8
Euro Stoxx 50 TR	18.1	21.5	4.0	6.4	3.7	5.0
S&P 500 TR	16.0	32.4	13.7	1.4	12.0	5.2
Nasdaq Composite	15.9	38.3	13.4	5.7	7.5	8.3
Nikkei 225	22.9	56.7	7.1	9.1	0.4	0.8
MSCI Emerging Markets	13.9	0.9	2.6	-8.0	7.1	8.2
MSCI AC World (Gross TR)	16.5	26.2	9.9	1.8	9.7	5.2
Sovereign 10yr Bond Yields (%)	2012	2013	2014	2015	2016	2017 YTD
U.S.	1.7	3.0	2.2	2.2	2.4	2.4
German	1.4	1.9	0.5	0.6	0.2	0.4
UK	1.9	3.0	1.9	1.9	1.2	1.2
Japan	0.7	0.7	0.3	0.2	0.0	0.1
Ireland	4.5	3.4	1.3	1.1	0.7	1.1
Italy	4.6	4.1	2.1	1.6	1.8	2.2
Greece	12.7	8.2	9.6	7.9	7.1	7.3
Portugal	6.9	6.1	2.7	2.5	3.8	4.1
Spain	5.4	4.1	1.6	1.7	1.4	1.7
Central Bank Rates (%)	2012	2013	2014	2015	2016	2017 YTD
ECB	0.75	0.25	0.05	0.05	0.0	0.0
Bank of England	0.5	0.25	0.50	0.50	0.25	0.25
U.S. Federal Reserve	0.25	0.25	0.25	0.50	0.75	1.00
Foreign Exchange Rates	2012	2013	2014	2015	2016	2017 YTD
Euro/Dollar (€/\$)	1.31	1.37	1.21	1.09	1.04	1.09
Euro/Sterling (€/£)	0.81	0.83	0.78	0.75	0.84	0.86
Sterling/Dollar (£/\$)	1.61	1.65	1.56	1.46	1.24	1.26
IPD All Property Return (%)	2012	2013	2014	2015	2016	2017
Ireland	3.1	12.7	40.1	25.0	12.8	N/A
U.K.	2.7	10.7	17.8	13.1	3.6	N/A
U.S.	5.3	11.4	11.2	12.1	7.8	N/A

*Past performance is not a reliable guide to future performance